MR. KEFFER: Now, Mr. Albert, if I could direct your attention to subquestion D in AT&T's data request 6-22, which has now been marked as Exhibit 38 in this proceeding, I ask you to explain for me where in this document Verizon responded to that request.

MR. DYGERT: For the record, would you read the question so we know what it is he's responding to.

MR. KEFFER: Yes. The question says, "For each tandem in Virginia, please provide the following information." Subpart D says, "Year-by-year forecasts of trunks in service for each tandem. Break down these forecasts by traffic type (Verizon traffic, IXC traffic, CLEC interconnection traffic and other) and indicate the basis for these forecasts."

MR. ALBERT: And the answer that we have to D is basically the second spreadsheet attached to this interrogatory which gives the trunk forecast for all trunk types. It does not break those quantities of trunks down into the particular

subdivisions that are requested in D.

The probably closest thing that we would have on the record to then addressing that breakdown, I think last week there was a Cox Exhibit 12 which was Verizon's response to Cox interrogatory 1-13, and that did take the percentages, I think there was one historic--there might have been two historic snapshots that did take the percentages of trunk types for those different types of carriers, and what could be seen in that interrogatory answer was that the large swack of growth, which is what drives tandem exhaust, that that large swack of growth was occurring percentage basis in the CLEC trunks, whereas the other categories, the percentage was decreasing, the CLEC trunk was--had a significant increase to it.

So the growth, which drives the exhaust, was coming the biggest and the heaviest from that data response on the CLEC trunking.

MR. KEFFER: The data response you just described, is that marked as an exhibit in this

proceeding?

MR. EDWARDS: It's Cox Exhibit 12.

MR. KEFFER: Can someone provide me with it?

MR. EDWARDS: I'm sure your folks have it.

MR. KEFFER: Your counsel has graciously allowed me to review his copy, so give me just a second.

(Pause.)

MR. KEFFER: Just one curiosity item, this presents data for Verizon South as well. Is that the old GTE property?

MR. ALBERT: That's correct.

MR. KEFFER: That's not part of this proceeding, but you offered the GTE information anyway.

MR. ALBERT: I think it was asked for in the interrogatory, and I think there was a discovery battle over that, but we have here provided separately for Virginia the GTE Verizon South numbers.

MS. FARROBA: Where in Cox Exhibit 12 does

it show transit percentage? I don't see a breakdown by transit traffic specifically.

MR. ALBERT: It doesn't, because in this interrogatory we were answering in terms of trunk quantities, and the actual transit traffic doesn't have specific trunks dedicated to it. The transit traffic would be riding on a portion of the CLEC trunks, and on a portion of the CMRS trunks, if it was a transit call going to a wireless provider.

So, when you're trying to identify transit traffic, you're more getting into a breakdown based on minutes as opposed to a breakdown based on physical trunk determinations because you don't have distinct physical trunks that are singularly devoted to transit traffic. The transit traffic just rides on the other trunks that are already there.

MS. FARROBA: So, then this exhibit, Cox Exhibit 12, can't really tell you anything about the percentage of tandem traffic that is transit traffic.

MR. ALBERT: That's correct.

MS. FARROBA: Are you able to calculate--you said that transit traffic is better measured in minutes. Is Verizon able to calculate that, and has Verizon done so?

MR. D'AMICO: I'm not aware of answering a data request to do that.

MS. FARROBA: If you haven't calculated today, how do you know it's a problem and that it contributes to tandem exhaust?

MR. D'AMICO: Well, everything that goes through the tandem is contributing to tandem exhaust. I guess it goes back to what is the percentage of transit versus regular tandem routed traffic.

MS. FARROBA: Right, so why do you think this type of traffic in particular is a significant percentage enough to be causing exhaust problems as opposed to like, say, Verizon's own traffic going over the tandem, which must be a larger percentage? I mean, why are you focusing on the transit traffic? What's the basis?

MR. ALBERT: I guess I would say it's

another element that drives the growth in the total CLEC trunks. If you look at what is driving the tandem exhaust, growth in trunks is the factor that pushes us towards exhaust.

If you look at what trunks have been growing the most, going back to the Cox data request, the most rapid growth has been for CLEC trunking contributing to a portion of that, although it sounds like we might have had the data response and we weren't able to identify which portion, but still contributing to a portion of that is the transit traffic.

MS. FARROBA: But I guess what you're saying is you have no idea whether it's a significant percentage of that or not. You're assuming it's a percentage of the--I mean, clearly, factually, it is a percentage of the CLEC traffic, but you have no idea of what percentage it is.

MR. ALBERT: I do not know the percent in Virginia.

MR. KEFFER: Mr. Albert, you've got connected to your tandems today Verizon trunks and

interexchange carrier trunks, and CLEC trunks and some others, but let's focus on those three categories. Can we agree that would make up the bulk of the trunks connected to the tandem?

MR. ALBERT: Okay.

MR. KEFFER: Now, I'm going to offer you a hypothesis, and you can agree or disagree as you see fit, but absent regulatory requirements, if you're concerned about tandem exhaust, and you need to move trunk groups and traffic off the tandem, if you rank order those types of traffic, Verizon's own trunks, interexchange carrier trunks that you get access revenue for, and CLEC trunks that you get TELRIC-based transport rates for, my hypothesis is you're going to want to get the lowest revenue generating CLEC trunks off the tandems first. Am I right or wrong in my hypothesis? Or do you even look at it that way?

MR. ALBERT: I would say we don't look at it that way. I really look at it more just from a perspective of network efficiency on what is the most efficient way to handle traffic and to manage

the network.

We already move our own traffic off the tandem by establishing end office trunk groups as a matter of efficiency. And what we would like is for the interconnection with CLECs to be based on the same efficient design criteria.

MR. KEFFER: I was going to draw a picture, but I think I'm going to try it without the picture, given Mr. Dygert's aversion to additional artwork.

Let's assume--moving on to another hypothetical. Let's assume hypothetically that for a Verizon tandem you have got 10 CLECs each connected to that tandem. Are you with me?

MR. ALBERT: Okay.

MR. KEFFER: So, it's 10 CLECs connected to the tandem.

And let's assume that the traffic being exchanged between each of those CLECs, one to the other, has reached the DS1 level.

Now, your proposal, as I understand it, is that those 10 CLECs would all have to establish

direct connections with one another. So, the 10 trunks that connect between the CLECs in your tandem would now be replaced by 45 trunks that would directly connect each of the CLECs one with the other; right? Now, if my math is wrong on the 45, blame Mr. Schell. He handed them to me.

MR. ALBERT: Close.

MR. KEFFER: Well, if I'm off, tell me how I'm off.

MR. ALBERT: I would have gotten closer to 50, but that's why I said it's close.

MR. KEFFER: Okay. Now, also, each of the CLECs would have to establish some basis for interconnecting with each other. There would have to be some sort of Interconnection Agreement or other contractual arrangement put in place; correct?

MR. ALBERT: Correct.

MR. KEFFER: Those are all my questions. Thank you, gentlemen.

MR. DYGERT: All right. Could we get the petitioners' witnesses--I'm sorry. I apologize.

WorldCom. Go ahead, Mr. Monroe.

MR. MONROE: Do you want me to go now or do you want to take break first?

MR. DYGERT: If it's all right with everyone, what I'd like to do is go through until 12 because we need to break between 12 and one because one of the relevant staff members from the FCC needs to be free at that point for an hour.

Go ahead, then.

Let's take a short break.

(Brief recess.)

MR. DYGERT: Why don't we go ahead and start.

CROSS-EXAMINATION

MR. MONROE: Good morning, gentlemen. John Monroe for WorldCom. Nice to see you again.

I think it's true, isn't it, that Verizon proposed different contract language to WorldCom than it did to AT&T for these issues?

MR. D'AMICO: Yes.

MR. MONROE: And I think it's also clear that there is no apparent ambiguity in the language

proposed to WorldCom that the 180-day limit works completely independently from the DS1 limit; is that correct?

MR. D'AMICO: That is correct.

MR. MONROE: So that if we assumed that there is transit traffic being handled by Verizon for WorldCom today, that 180 days after this contract takes effect, Verizon would have the unilateral option to terminate providing that transit service to WorldCom; is that correct?

MR. D'AMICO: I think it gets back to--this is an optional service that Verizon is providing. We are not obligated to provide transit service, and what we are trying to do with the 180 days is to put some parameters around that optional service.

MR. MONROE: Is the circumstances I described in my question, is that correct, that Verizon could then terminate the transit service 180 days after this contract takes effect if Verizon's language were adopted?

MR. D'AMICO: Within 30 days written

notice, yes.

MR. MONROE: And that would be regardless of the volume of transit traffic that WorldCom had?

MR. D'AMICO: Yes, based on the WorldCom language, correct.

MR. MONROE: Are you aware of FCC regulations that require Verizon to provide tandem switching as an unbundled network element?

MR. D'AMICO: I'm not familiar with that.

MR. MONROE: I assume, as you sit here today, you're not aware of any limitations on Verizon's provision of tandem switching as an unbundled network element, like any limitations on how much of that element Verizon might be required to provide?

MR. D'AMICO: I couldn't say one way or the other.

MR. ALBERT: I do know we not have anybody in Verizon East that is buying unbundled tandem switching. There's none in service.

MR. MONROE: Now, I think you testified in questions from Mr. Keffer that Verizon's access

tariff doesn't limit IXCs to a DS1 level or any other particular level of tandem traffic; is that correct?

MR. ALBERT: That's correct. And what I mentioned was that the whole issue of the DS1 threshold, which we talked about as it relates to tandem transit, we also talked about it independently last week. There are two big factors that impacts. It impacts the tandem exhaust. It also impacts our ability to deliver on our operational performance standards for trunk blocking.

The big thing that you don't have with interexchange carriers is we do not have to deliver on a grade of service that if we miss it, we pay penalties for. With CLECs, our ability to meet our trunk locking requirements is directly impacted by this issue of the threshold and our ability to build an efficient network to handle the traffic, to minimize call blocking, and to have our ability to meet standards.

So, that's the big difference you have

with CLECs versus with IXCs. With the IXCs, there's no standards when it comes to the performance, there is no penalties that we pay, but the CLECs with Interconnection Agreements there are. By not having this DS1 threshold, it negatively affects our ability to deliver on those performance requirements.

MR. MONROE: Are you saying that it's Verizon's position that Verizon is not required to provide transit service in the first place, but if it does, then it has performance standards and remedies associated with them?

MR. ALBERT: I'm saying we have trunk blocking performance standards and remedies that apply to the traffic that we terminate to CLECs. So, to the extent that there is transit traffic that is riding across those final trunk groups that terminate to the CLEC, then they are part of the performance standards and the performance penalties and the performance measures.

MR. MONROE: And those apply in Virginia?

MR. ALBERT: I think that's part of this

proceeding. Plus I think we have other FCC agreements where those come into play.

MS. FARROBA: Let me just ask a clarifying question. Are you saying there are no performance standards in the provisioning to IXCs whatsoever?

MR. ALBERT: Not for trunk blocking. There is nothing that we pay money for if we miss it if.

MS. FARROBA: But for provision of trunks to IXCs you don't have any kind of liquidated damages or performance standards?

MR. ALBERT: Not that I'm aware of, not in the access tariff.

MS. FARROBA: Thanks.

MR. ALBERT: This is on trunk blocking.

MS. FARROBA: Right, but I asked in general on trunk provisioning to IXCs. You don't have any kind of performance standards?

MR. ALBERT: Let me say I'm not sure, but I have never run into any.

MS. FARROBA: Okay.

MR. MONROE: Then one last question on the

IXC and tariff limitation. There is a different section of your tariff that provides that Verizon will provide an unlimited quantity of STS1s, STS3s or STS12s, and I realize you may not be in a position to agree that that's the case without looking at the tariff, and I have it here if you want to look at it, but are you aware of that?

MR. ALBERT: No.

MR. MONROE: Mr. Dygert, I've got a section of the FCC tariff Section 6, which is switched access service, and I think last week Ms. Kelley introduced an exhibit from it that was a single page, and I believe Verizon wanted to see it in context, and we have given it to the parties. I have the context here, and this is just Section 6, and I'm hesitant to make the whole thing part of the record because it's so big, and I'm really only going to refer to one page, but I can go either way.

MR. DYGERT: Why don't you go ahead and conduct your examination, and we will see if at the end of it it appears it needs to be admitted.

MR. MONROE: All right.

What's being circulated is Section 6 of Verizon FCC tariff number one, the switched access section. And I'm looking at page 6-78 which is about halfway through the document. In particular, I'm looking at Section 6.2.5(D), which is the first paragraph on that page.

MR. DYGERT: Is this the page that Ms. Kelley previously introduced?

MR. MONROE: No, it's not, but the page that Ms. Kelley introduced is in this entire document.

Have you found that section?

MR. ALBERT: Yes.

MR. MONROE: Here we are talking about switched transport facilities and a particular entrance that says entrance facilities and direct trunk transport, but it says that such facilities are capable of providing unlimited quantities of STS1s, STS3s and STS12s. Is that correct?

MR. ALBERT: That's what it says here.

MR. MONROE: So, it appears that Verizon

doesn't limit interchange carriers or, for that matter, any other carriers or customer that chooses to buy out of this tariff to a DS1 facility; is that correct?

MR. ALBERT: No, that's not. I think you're mixing apples and oranges with a portion of the tariff you have gone to here. This particular--and I don't profess to be a tariff wizard, but I think I could figure this out from what I'm looking at. This portion of the tariff is strictly dealing with the transport that trunks ride over. When we are talking about the actual interfaces for the trunks, all of the interfaces between digital switches--this is between Verizon and CLECs, between Verizon and IXCs, all of the physical terminations when those trunks get to the switches are done at a DS1 interface. So, the termination on the switch, all of the terminations, are DS1s.

Now, the transport that is used to carry those DS1 trunks across the network or between the carriers, that transport certainly comes in higher

orders of multiplexing, where you can combine and group together larger quantities of circuits up to higher capacities and higher rates on the transport side.

So, yes, obviously they're here talking about large capabilities available with transport, but that's very different than the capacities that we're talking about for trunks for the terminations on the switching machine, all of which are uniquely done at the DS1 level.

MR. MONROE: Well, if the IXC orders one of these entrance facilities that terminates at Verizon's tandem location, isn't the sole purpose for doing that so they could be tandem switched?

MR. ALBERT: No, because you're terminating--you're dropping transport off at a central office that may happen to have a tandem in it, but riding across that transport could be special access circuits, could be a whole bunch of different things.

It could also be circuits that go through that tandem office, with the transport carries

through, the way that the carrier has ordered those circuits. You can have transport that goes through and actually terminates in a number of other different Verizon end offices.

So, when you buy transport, really transport separate and independent is a big pipe, a big hunk of capacity that's capable of carrying trunks. And when we are talking here about the trunks between switches and the DS1 threshold, we're talking the interfaces on the switch, the actual physical terminations on the switch, all of which are done at the DS1 level. You can certainly pack a bunch of them across large transport pipes, which is what the particular portion of the tariff here is dealing with that you pointed out, the 6.2.5(D).

MR. MONROE: Well, isn't 6.2.5(d) dealing with entrance facilities and direct trunk facilities?

MR. ALBERT: It's is dealing with transport. This is not at all dealing with the interfaces on the switches. It's not dealing with

the trunks. This is the transport portion.

MR. MONROE: I'm sorry. My question was, isn't this section of the tariff dealing with entrance facilities and direct trunk transport?

MR. ALBERT: Yes, that's what it says. It's dealing with the transport portion of both of those.

MS. FARROBA: So, are you saying--I guess you're distinguishing between transport and trunks with the distinction being based on how much of the traffic is switched?

MR. ALBERT: No, what I'm saying is when we are talking trunks on a switching machine, those terminations are always DS1s, so a trunk group will have a certain quantity of DS1s.

The transport, then, which carries those DS1s, the interfaces for that transport could have a whole variety of different speeds and capacity, different sized pipes that can carry those individual DS1s. When we get to the point of specifically talking about the trunk group terminations on the switch, and the size of a trunk

group that's terminated on the switch, all of that is always done both on our switches and on the other carriers' switches. All of that is done at the DS1 level. That is the physical signals and wire connections.

MS. FARROBA: Right, so what you're saying then is if you have like a DS3 transport as your interconnection trunk or whatever that you de-multiplex down to the DS1 level?

MR. ALBERT: You have to. The way the carrier actually orders it, it has to be de-multiplexed down to a DS1 to actually terminate on it the switch and provide service.

MS. FARROBA: So, this STS1 is not the equivalent of a DS1?

MR. ALBERT: No, it's not. It's a higher level higher capacity signal. It's an electrical SONET-based signal, which is a significantly higher capacity than a DS1. So these are transport interfaces. These are the pipes that actually carry the DS1 trunks that are terminated onto the switches.

MR. GOYAL: Just for my own clarification, with respect to the language in 6.2.5(D) that WorldCom was just asking about, what would the entrance facilities in that paragraph be referring to if not switch interfaces?

MR. ALBERT: It's the transport. This is strictly describing the transport.

MR. GOYAL: It's describing the termination of the transport to a de-multiplexer?

MR. ALBERT: To however it would be handled off.

Now, for multiplexers, the only multiplexing that we do is for a DS3 down to a DS1 today. That's all we've got, so these other transport-type interfaces, would be handed off as the interfaces are. If it's an STS1, that would be an electrical handoff on a coax type of a connection. And that could go into the CLEC cage, or it could be transported across the network, where it would then be handed back off to a CLEC cage. It would still be done at the level of interface that the CLEC had ordered the circuit.

So, whenever the CLEC actually orders the stuff, they actually specify what the interfaces and the handoffs are. If they order it as an STS1, that means on the end going in of the pipe, it's physically electrically an STS1; and it means on the end going out of the pipe it's physically and electrically an STS1. And that's the way transport is ordered.

When trunks are ordered, the trunks that ride the transport that terminate on the switches, those are always ordered as DS1 interfaces and that's what the electrical and physical connection on the switch is.

MR. MONROE: Now, does Verizon limit CMRS providers to a single DS1 of transit service?

MR. ALBERT: Yeah, the Interconnection Agreements that we are now negotiating with wireless providers, we are trying to negotiate the same provision in with them.

MR. MONROE: So, you would expect a CMRS provider to establish direct connections with any carrier that it has more than a DS1 of service to?

MR. D'AMICO: Yes.

MR. MONROE: And then would you also limit--excuse me. Then would you also have the right within 180 days after entering into an agreement with a CMRS provider to terminate transit service?

MR. D'AMICO: If they did not enter into an agreement with the other carriers, yes.

It's basic same model language.

MR. MONROE: Today in Virginia, do you know how many agreements have you with CMRS providers that have those provisions in them?

MR. D'AMICO: I do not.

MR. MONROE: Do you know if you have any?

MR. D'AMICO: I don't know if in Virginia we have negotiated any new agreements with CMRS carriers. If we are, as Don mentioned, that is in the contract.

MR. MONROE: It's in your proposed contract, but you don't know if any CMRS providers ever agreed to it; is that what you're saying?

MR. D'AMICO: Correct, but I would say

that if they haven't, we would probably be in arbitration because that's where we are right now.

MR. MONROE: In fact, I think WorldCom Exhibit 42, which was an excerpt from your Web site to CMRS providers encourage CMRS providers to interconnect at the tandem as a way to avoid having to connect with other carriers; is that correct?

MR. D'AMICO: Again, that language--it didn't really get into the nitty gritty of levels. It did state that they can connect to Verizon's tandem to exchange transit traffic. I'm not sure if you used those terms.

MR. MONROE: Well, do you agree with me that it encourages CMRS providers to interconnect with the tandem?

MR. D'AMICO: I think it notifies them that there is a transit service. As far as the specifics, again, I would say that Web page is--that was designed when the PCS carriers were coming out, and basically you had a lot of carriers who had no knowledge of interconnection, so that was kind of the one on one, read it real quick and

then come on in; you get your account managers, you get the contract language, and you start discussing the specifics.

MR. MONROE: Well, does that Web page notify the CMRS providers that they can use the transit service or connect to the tandem to reach all these other carriers, but they can only do it for 180 days?

MR. D'AMICO: It's a marketing tool. It's a informational, high-level informational tool. It doesn't have all the specifics.

MR. MONROE: Is this issue about limiting tandem exhaust or is it more about limiting competition?

MR. D'AMICO: Well, it's definitely not about limiting competition; and it is an issue about tandem exhaust. It's also an issue about an optional service that Verizon is providing.

MR. MONROE: I think last week when we were talking about the tandem exhaust issue separately, and as you recall I think there were two Verizon proposals, one to require direct end

office trunking if there were more than 200,000 minutes going to it, and the other limiting CLECs to 240 tandem trunks.

Do you recall those provisions?

MR. ALBERT: Yes.

MR. MONROE: And I think you characterized them last week as belts and suspenders. Do you recall that?

MR. ALBERT: I said the 240 on top of the DS1 was somewhat belts and suspenders. The question that I answered relative to if we had forecasting and if we had the DS1 threshold, how would that work, and I think my answer to that was that would take care of 95 percent of the tandem exhaust as well as the operational performance trunk blocking or performance problems that we see.

So, the two I did characterize as the belts and suspenders, by far, the threshold at the DS1, and being able to work that in connection with the trunk forecast. From our perspective, that's the big kahuna.

MR. MONROE: I think you will agree with

me that WorldCom and Verizon are in agreement on the big kahuna; is that correct?

MR. ALBERT: That's correct.

MR. MONROE: Well, then, would you characterize this third proposal as perhaps safety pins added to the belts and suspenders?

MR. ALBERT: No, because here we are talking about the same terms and conditions applying to transit traffic as applied to the other traffic, the overall trunk groups that we got between ourselves.

I guess I don't see a lot of difference between the DS1 threshold as it relates to transit traffic and the DS1 threshold as it relates to the end office calling, both from the perspective of the effects on tandem exhaust and the further aggravation of that. But the rationale and the network efficiency piece of it is similar to both. I think the only other difference Mr. D'Amico mentioned is that the transit traffic is an optional service, whereas interconnection, we are required by law to do that.

MR. MONROE: And the network efficiency you're speaking of requires, in Mr. Keffer's example, to go from 10 trunk groups to 45 trunk groups; is that correct?

MR. ALBERT: The efficiency that you gain is not having to tandem switch a call and the cost savings associated with that as opposed to the creation of the trunk groups. So, when the studies that I said had been done in the late eighties and the early nineties, the big added cost associated with going through the tandem is the fact that you're now switching something through the tandem that you previously, if you were going to end office trunking, did not have to be switched. So, that is the big dollar offset to having additional trunk groups is you get the inherent savings of not having to double switch the call.

MR. MONROE: All right. Let's talk about the charges that Verizon proposes for a second. That's probably you, Mr. D'Amico; is that correct?

MR. D'AMICO: Yes.

MR. MONROE: Okay. Just so I'm clear,